

# PUBLIC SERVICE COMMISSION OF WISCONSIN

## Universal Service Fund Council

### SUMMARY OF DECEMBER 7, 2015 MEETING

**Meeting Date/Time:** December 7, 2015 at 1:00 PM

**Place:** Public Service Commission Building, Pecatonica River Conf. Rm. - Madison, WI

**Council Members:** **(in person)** Jean Pauk – USFC Chair (TDS), Scott Bohler (Frontier Communications), Jack Cassell (DOA/TRS), Celeste Flynn (Time Warner Cable), Pam Holmes (Ultratec), Jim Jermain (AT&T), Bob Kellerman (GWAAR), Kathy Schmitt (DATCAP); **(by phone)** Pam Hollick (Level 3), Vanessa Johnson (New Concept Dev. Center), Bob Jones (WISCAP Association).

**Commission staff:** Jeff Richter (Staff Representative to the USFC), Peter Jahn, Joyce Dingman (by phone).

Chairperson Pauk called the meeting to order at 1:05 PM, welcomed those in attendance, called roll, and requested a round-robin of self-introductions. A quorum was present.

Draft December 11, 2014 and June 25, 2015 meeting minutes were circulated prior to the meeting and they were approved without change following a motion by Kellerman and second by Schmitt.

Staff explained that the following five USFC memberships will be expiring at the end of December: Scott Bohler, Frontier; Jim Jermain, AT&T; Pamela Hollick, Level 3; Pam Young-Holmes, Ultratec; and John Eich, UW. Staff will e-mail these individuals and inquire regarding their interest in renewal of their membership for another three-year term from January 1, 2016 through December 31, 2018. If one or more are not interested, he will solicit from the other USFC members' suggestions for potential replacements and make some inquiries himself with potential interested parties.

Staff gave an overview of the status of FY 2016 USF budget and expenditures through November based on the handouts provided at the meeting and e-mailed to members. NO red flags were noted. A question was raised about what happens to unused funds and Jeff reported that they simply go into the common USF reserve. This is why large leftover balances are to be avoided since they cannot be carried over. Council members expressed that the USFC might want to make recommendations to the Commission on what might be done to manage the reserve account.

Staff provided an update on the status of the USF programs based on materials provided at the meeting and e-mailed to the Council members.

Non-Profit Grants are starting out with fewer request for reimbursement as is usual. The requests for reimbursement from the grant funds generally pick up in the second six months. Telemed Grant recipients have used all but \$150k of the \$1M for the two-year grant period. New requests for Non-Profit and Telemed grant proposals will be sent out in January.

TEPP participation is normal for this far into the fiscal year. Staff explained how the vouchers are issued and assigned to fiscal years based on the time of issuance and that funds are encumbered at the end of a fiscal year to cover vouchers issued in that year. Staff is still moving forward collecting ideas on a more managed and consistent approach to TEPP outreach, assistance, and assessment than the current Nonprofit Grant Program offers. The TEPP Subcommittee will likely want to provide input on this proposed program change. Staff is also working with Wipfli to redesign reporting for TEPP to identify equipment that is actually being purchased under the program. There is not a recommended approach yet, but it will be shared with the TEPP Subcommittee when it is available.

Lifeline reimbursements are slower than expected, but it was noted that at least one large provider has not requested a reimbursement for any month in this fiscal year. Further, the budget was set with the expectation that Lifeline enrollments are likely to grow once the CALER upgrade is in place. It was also noted that one provider voluntarily participating in the Lifeline program is ending its participation. While these customers may be migrating to other providers for the Lifeline program, expenditures by the WUSF will go down because the entire \$10 Lifeline credit was being paid by the WUSF. Virtually any other provider of Lifeline will be an Eligible Telecommunications Carrier (ETC) and that designation will reduce the WUSF reimbursement to \$0.75 with the Federal USF paying the other \$9.25.

Joyce Dingman reported that the PSC 160 rulemaking was with the Joint Committee on Review of Administrative Rules (JCRAR) and its review would timeout on December 12. She will have all the appropriate paperwork ready so that the rules will be filed for publication in time to become effective on February 1, 2016.

Peter Jahn gave an update on the Lifeline Eligibility Verification Database (CALER) upgrade project. Progress is being made, however there was a setback when it was discovered that between the time this project was proposed and the design was being implemented that several providers had stopped collecting full Social Security Numbers (SSNs). The design has been reworked and is being programmed to use the last 4 digits of the SSN. This has set back the implementation date from this December to March 2016.

Chair Pauk reiterated that she is reactivating the USF Council Subcommittees and thanked the individuals who signed up for the subcommittees for Rules, Low-Income, and TEPP pursuant to the poll circulated by staff. Chair Pauk will work with staff to assign chairs, establish work assignments for the subcommittees and consider timing for the first meetings of the subcommittees which may be conducted by conference call.

Under Other Business, staff explained that there was a glitch in the USF assessment process this year because of an omission in the Budget Bill left the PSC without authority to assess for the \$1M UW-System appropriation. Staff caught the omission in September and the UW-System was able to get a sponsor for repair legislation that quickly moved through the legislature. An Order was issued to establish the new assessment rate for the UW-System in time for the Commission to begin billing for this assessment in the December invoices.

The USFC adjourned at 2:35 pm.

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